



MONTANA LEGISLATIVE BRANCH

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DATE: June 3, 2004
TO: Legislative Finance Committee
FROM: Todd Younkin, Senior Fiscal Analyst
RE: Law Enforcement Academy Update

During the March meeting of the Legislative Finance Committee (LFC), LFD staff presented a report on a revenue shortfall and subsequent funding shortfall at the Montana Law Enforcement Academy (MLEA). The revenue at issue was a surcharge applied to specific convictions in courts of limited jurisdiction. Since the Department of Justice had not finalized a plan of correction, we promised the LFC this update.

Shortly after the March LFC meeting, the Department of Justice proposed, and the Office of Budget and Program Planning (OBPP) approved, the following plan:

- ❑ Anticipated surcharge revenues were reduced from \$1.1 M to \$500,000 (approx \$600,000 reduction);
- ❑ The MLEA budget was reduced by \$127,000 by making reductions in personal services, operating expenses, and equipment purchases. These reductions will have impacts in the following categories:
 - Costs deferred into future years/biennia (deferred supply purchases and programmed maintenance delays),
 - Reductions in service (trainees are now required to turn in materials such as handbooks and other training materials, which ultimately results in an increased cost to local government entities),
 - Loss of ability to effect continuous improvement requiring additional resources (props and supplies for additional scenario-based training, and professional development training for MLEA staff); and
- ❑ \$476,000 would be obtained from fiscal 2002 and 2003 carry forward funding.

As of May 31, 2004, the plan appears to be on track:

- ❑ Expenditures are at \$833,000 (less than 11 month's worth of revised budget); and
- ❑ Surcharge revenues are at \$498,000.

Additionally, the department has identified cases of under collecting in several districts, and is working with the districts to obtain full collecting of the surcharge. However, the MLEA funding shortfall is expected to continue through fiscal 2005. The department is currently developing a plan to mitigate the revenue and funding shortfalls for fiscal 2005.